Amalgamated Electric Corporation, Limited

Montreal, Canada

Annual Report

1937

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AMALGAMATED ELECTRIC CORPORATION,
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ALSO OWNING AND OPERATING

BENJAMIN ELECTRIC MANUFACTURING COMPANY *of* CANADA LIMITED

BULL DOG ELECTRIC PRODUCTS *of* CANADA LIMITED

CANADIAN CUTLER-HAMMER LIMITED

LANGLEY ELECTRIC MANUFACTURING COMPANY, LIMITED

LANGLEY ELECTRICAL COMPANY LIMITED

LANGLEY MANUFACTURING COMPANY LIMITED

PLANTS AND WAREHOUSES AT:

TORONTO

MONTREAL

WINNIPEG

CALGARY

VANCOUVER

EXECUTIVE OFFICES:

ROOM 1600

1050 BEAVER HALL HILL

MONTREAL, QUEBEC

AMALGAMATED ELECTRIC CORPORATION, LIMITED

MONTREAL, 11th February, 1938

TO THE SHAREHOLDERS:

Your Directors take pleasure in submitting herewith the Ninth Annual Report and Consolidated Statements of Account for the year ended 31st December, 1937.

RESULTS OF OPERATIONS:

The operating profit of the Company for the year 1937, before providing for income taxes and depreciation, amounted to $104,531. The net profit, after providing for these two items and including miscellaneous income, amounted to $51,733, which compares with a net loss of $5,666 in 1936.

PROPERTIES:

During the year, the Mountain Street (Montreal) property, which building had not been utilized for manufacturing purposes since the consolidation of these operations at Toronto in 1932, was disposed of. An inventory at Toronto Plant of machinery, tools, dies, and items heretofore carried in Development Account, was taken, and the necessary adjustment made in the accounts in respect thereof.

Depreciation amounting to $46,552 was provided during the year; the accumulated reserve at 31st December, 1937, being $332,128 as compared with $344,389 at the close of the preceding year. The reduction in this reserve is accounted for by the adjustments relating to the sale of the Mountain Street property, and the inventories of machinery, tools, dies, etc., above referred to.

All necessary repairs to your properties have been made throughout the year and have been charged to maintenance.

INVENTORIES:

Inventories of the Company, in accordance with the usual practice, have been valued at cost or market, whichever was lower.

FINANCIAL:

The following is a comparison of the net working capital of the Company as at 31st December, 1937 and 1936:

	1937	1936
Current Assets	$605,698	$547,778
Current Liabilities	48,123	50,937
Net Working Capital	$557,575	$496,841

Current Assets include Cash on Hand and on Deposit, amounting to $216,119, a decrease of $17,451 compared with the preceding year.

The net working capital is equivalent to $26.97 per Preferred share outstanding.

PREFERRED STOCK:

During the year, 723 shares of Preferred Stock were purchased on the Montreal Stock Exchange for cancellation and reduction of capital. This resulted in a credit of $16,246 to Capital Surplus Account.

A total of 2,825 shares have been redeemed to 31st December, 1937.

EMPLOYEES:

In recognition of the faithful and efficient service given by the employees of the Company, your Directors instituted (on 1st October, 1937) an Employee Welfare Plan. The Plan provides for the payment of Non-occupational Accident and Sickness Benefits to all employees whose length of service is two years or more. At 31st December, 1937, sixty-nine percent (69%) of the total employees were eligible for these benefits, the entire cost of which has been assumed by your Company.

The Plan also provides for Group Life Assurance to all employees who desire to participate in this benefit, the cost of which is shared by the employees participating and the Company. At 31st December, 1937, ninety-two percent (92%) of the total employees had taken advantage of this opportunity to secure Life Assurance.

GENERAL:

Your Directors are pleased to report that in pursuance of the Company's established policy of increasing its activities, Canadian Cutler-Hammer Limited has recently been incorporated as a wholly-owned Subsidiary Company to manufacture and sell in Canada, under license from Cutler-Hammer Incorporated, Cutler-Hammer motor starters and other electrical equipment; these products are well and favourably known to the trade in Canada, having previously been imported from the United States.

Your Company continues to be largely dependent upon the construction and equipment trades for the sale of its products and if the increase in these activities throughout Canada continues during 1938, a continuation of the improvement in the sale of your Company's products may be reasonably expected.

By Order of the Board

P. F. SISE,
President.

AMALGAMATED ELECTRIC

AN

SUBSIDIARY

Consolidated Balance Sheet

ASSETS

CAPITAL ASSETS:		
Real Estate, Buildings, Plant and Equipment at cost		$743,798
MORTGAGE RECEIVABLE		32,000
CURRENT ASSETS:		
Inventories of Raw Material, Goods in Process, Finished Stock, etc. (*)	$308,924	
Accounts Receivable (less Reserve for Doubtful Accounts)	80,655	
Cash on Hand and on Deposit	216,119	605,698
PREPAID EXPENSES:		
Unexpired Insurance, Prepaid Taxes, etc.		1,830
GOODWILL AND PATENTS		1
		$1,383,327

(*) Based on Physical Inventory as at 31st October, 1937 (valued at cost or market, whichever was lower) adjusted for operations to 31st December, 1937.

MONTREAL, 29th January, 1938.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Amalgamated Electric Corporation, Limited, and its Subsidiary Companies as at 31st December, 1937, and we have obtained all the information and explanations which we have required.

Based upon such examination we report that, in our opinion, the above Consolidated Balance Sheet and relative Consolidated Statements of Profit and Loss and Deficit and Capital Surplus are properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies to the nearest dollar.

WM. CARSWELL, C.A.
Treasurer.

McDONALD, CURRIE & Co.
Chartered Accountants.

CORPORATION, LIMITED

ND

COMPANIES

as at 31st December, 1937

LIABILITIES

CAPITAL STOCK, SURPLUS AND DEFICIT ACCOUNTS:		
Six per cent Cumulative Redeemable Convertible Preferred Stock:		
Authorized:		
30,000 Shares, $50.00 Par Value	$1,500,000	
Issued and Paid-up:		
23,500 Shares	$1,175,000	
2,825 Shares purchased for cancellation and reduction of capital to 31st December, 1937	141,250	
20,675 Shares in hands of public (Dividends in arrears since 31st December, 1930)	1,033,750	
Common Stock—without nominal or par value:		
Authorized—90,000 Shares		
Issued and Paid-up—50,000 Shares	324,562	
Capital Surplus:		
As per Consolidated Statement	41,695	
	1,400,007	
Deficit:		
As per Consolidated Statement	396,931	$1,003,076
CURRENT LIABILITIES:		
Accounts Payable and Accrued Charges	33,616	
Provision for Taxes	14,507	48,123
RESERVES FOR DEPRECIATION		332,128
		$1,383,327

Approved on behalf of the Board:

P. F. SISE
W. L. BAYER } *Directors*

Amalgamated Electric Corporation, Limited
AND
Subsidiary Companies

Consolidated Statement of Profit and Loss and Deficit
For the Year Ended 31st December, 1937

Operating Profit for Year—before charging Executive Salaries and Legal Fees and before providing for Depreciation and Income Taxes		$ 128,046
Deduct—Executive Salaries	$ 21,365	
Legal Fees	2,150	23,515
Profit for Year before providing for Depreciation and Income Taxes		104,531
Deduct—Provision for Income Taxes	12,355	
Provision for Depreciation	46,552	58,907
Profit from Operations		45,624
Add —Miscellaneous Income		6,109
Net Profit for Year		51,733
Deduct—Deficit as at 31st December, 1936	389,410	
Loss on sale of Mountain Street property (Montreal)	59,254	448,664
Deficit as per Consolidated Balance Sheet		$396,931

Note:
No Directors' Fees have been paid or charged during the year.

Consolidated Statement of Capital Surplus
For the Year Ended 31st December, 1937

Balance at Credit as at 31st December, 1936	$ 25,449
Add —Discount on Preferred Shares purchased for cancellation and reduction of capital during the year ended 31st December, 1937	16,246
Balance at Credit as at 31st December, 1937 as per Consolidated Balance Sheet	$ 41,695

Amalgamated Electric Corporation, Limited

DIRECTORS

William L. Bayer — Paul F. Sise

Homer M. Jaquays — H. Carson Flood

M. K. Pike — Richard O. Johnson

M. P. Murphy — Wm. Carswell

Stanley Langley

OFFICERS

William L. Bayer	*Chairman of the Board*
Paul F. Sise	*President*
M. P. Murphy	*Vice-President and Managing Director*
Wm. Carswell	*Secretary-Treasurer*
Stanley Langley	*General Production Manager*

Solicitors

Wainwright, Elder & McDougall—*Montreal*

Blake, Lash, Anglin & Cassels—*Toronto*

Transfer Agents

Montreal Trust Company—*Montreal*

Registrar

The Royal Trust Company—*Montreal*

The Symbol of Satisfaction

ELECTRICAL SUPPLIES, ETC.
APARTMENT MAIL BOXES.
BOXES—Outlet; Switch.
CUTOUTS.
FIXTURES—Porcelain Enamel Reflectors; Vapor-Proof; Commercial Fixtures; Glazed Porcelain; Dust-Proof; Explosion-Proof.
FLOODLIGHTING.
LAMPS—Bed; Desk; Portable.
LIGHTING—Commercial; Cove; Portrait; Show Case; Spot; Theatre; Industrial; Porcelain Equipment.
LIGHTING CONTROL—Theatre.
PANELBOARDS—Branch Circuit and Light and Power Distribution.
PLUGS—Attachment.
RADIO OUTLETS.
RECEPTACLES—Flush; Surface; Sign; Fixture.
REFLECTORS—Porcelain Enamel; Aluminum.
ROSETTES.
SERVICE STATION FLOODLIGHTING.
SHEET METAL WORK.
SIGNALS—Industrial.
SOCKETS—Brass Shell; Porcelain; Rubber; Candle; Weatherproof; Extensions; Reducers.
SPINNINGS.
STAMPINGS.
SWITCHBOARDS—Light and Power.
SWITCHPLATES—Brass; Steel; Bakelite.
SWITCHES—Canopy; Door; Externally Operated; Fixture; Flush; Knife; Pendent; Appliance; Surface; Time; Safety; Industrial; Service.
THEATRE SWITCHBOARDS.
WIRING DEVICES.
BULL DOG PRODUCTS—Panelboards; Switchboards; Safety Switches; Industrial Breakers; Wiring Trough; Wireways; Busways.
CUTLER-HAMMER PRODUCTS—Motor Control.